

FISCAL NOTE

SB 2822 - HB 2581

February 21, 2002

SUMMARY OF BILL: Under present law, a domestic insurance company must have its principal place of business, books and records located in Tennessee. An insurer that was a domestic insurance company prior to July 1, 1993, whose principal place of business, books and records were located outside the state prior to such date, is exempted from this requirement. This bill would specify that the exemption applies to any subsidiary of such an insurer, regardless of when such subsidiary became a domestic insurer or a subsidiary.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Less than \$100,000

Increase State Expenditures - Less than \$100,000

There is estimated to be an increase in state expenditures to the Department of Commerce and Insurance to examine the books and records of insurers or subsidiaries that may keep their books and records out of state under the provisions of this bill. The costs of examinations are passed on to the companies being examined. Therefore, it is assumed that any increase in expenditures will be covered by an equal amount of examination fees collected.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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